SOKOLWSKI v. MENU FOODS, INC. et al

Case 1:07-cv-01709-NLH-AMD Document 13-8 Filed 06/25/2007

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Doc. 13 Att. 7

EXHIBIT F

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5-21-07; 8:41AM; US DIST COURT

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                                                                                      (The following takes place in open court before the
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                             UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
                                                                                      Honorable Noel L. Hillman, United States District
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                                                                                      Court Judge, District of New Jersey, sitting at
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                                                                                      Camden, New Jersey, on Friday, May 18, 2007)
                   JARED WORKMAN AND WARKAND
                   MONA COMEN, ON BEHALF OF
THEMSELVES AND ALL OTHERS
SIMILARLY SITUATED,
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                                                                                5
                                                                                                 THE COURT: It's morning, right?
                                               CIVIL ACTION NUMBER:
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                                                  07-1338 (NEH)
                                                                                                 Good morning, everyone.
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                         PLAINTIPPS,
                                                                                                 Please he seated.
                                                                                8
                                                                                                 Give me a minute to get settled in and then
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                  MENU FOODS LIMITED, MENU
FOODS, INC., AND MENU
FOODS MIDWEST CORPORATION,
                                                                                9
                                                                                      we'll have appearances.
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                        DEFENDANTS.
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                                                                                                 MS. RODRIGUEZ: Lisa Rodriguez, from the
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                                                                                      firm of Truillio, Rodriquez and Richards.
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                                MOTION TO SHOW CAUSE
                                                                               12
                                                                                                 With me, today is Russell Paul from the
             13
                                DATE: MAY 18, 2007
                                                                               13
                                                                                      firm of Berger and Montague.
             14
                      MITCHELL H. COHEN UNITED STATES COURTHOUSE
ONE JORN F. GERRY PLAZA,
CAMDEN. NEW JERSEY, 08608
                                                                               14
                                                                                                His motion, pro hac vice motion, has been
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                                                                                      filed, not ruled on, however, and he will be
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                                                                                      speaking this morning.
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                      THE HONORABLE NOEL L. HILLMAN, UNITED STATES DISTRICT JUDGE, DISTRICT OF NEW JERSEY, SITTING AT CAMPEN, NEW JERSEY.
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                                                                                                THE COURT: All right.
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                                                                                                MS. RODRIGUEZ: If it please Your Honor --
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                                                                                                THE COURT: Welcome to both of you.
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                                                                                                MR. PAUL: Good morning, Your Honor.
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                                                                                                THE COURT: Who else do we have?
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                 (APPEARANCES ON PAGE 2)
                                                                              22
                                                                                                MR. HANSON: Sir, Gerard Hanson on behalf of
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                                                                              23
                                                                                      Hill Wallack, counsel for the defendants, Menu Foods
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                                                                                      Limited, Menu Foods, Inc., and Menu Foods Midwest
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                                                                                      Corporation.
                         U.S. DISTRICT COURT - CAMDEN - NEW JERSEY
                                                                                               U.S. DISTRICT COURT - CAMDEN - NEW JERSEY
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                                                                                                Present at counsel table with me is Edward
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        APPEARANCES:
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                                                                                      Ruff, III, of the Chicago firm of Pretzel and
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       TRUJILLO, RODRIGUEZ AND RICHARDS, LLC, BY: LISA J. RODRIGUEZ, ESQUIRE,
                                                                                3
                                                                                      Stouffer, as well as Michael Turiello.
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                                                                                                Mr. Ruff would like to address the Court.
        AND
 5
        BERGER & MONTAGUE, P.C.
                                                                                5
                                                                                      Consistent with Mr. Paul, my office has filed a
        BY: RUSSELL D. PAUL, ESQUIRE
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        ATTORNEYS FOR THE PLAINTIFFS
                                                                               6
                                                                                      Pro hac vice application which is returnable
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                                                                               7
                                                                                      June 1st. Certainly we would consent to Mr. Paul
        HILL, WALLACK, LLP
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        BY: GERARD H. HANSON, ESQUIRE,
                                                                                      addressing the Court as pro hac vice.
                                                                               9
                                                                                                THE COURT: That's very kind of you.
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        PRETZEL & STOUFFER, CHARTERED,
        BY: EDWARD B. RUFF, III, ESQUIRE,
                                                                              10
                                                                                                We'll move up those applications and why
        AND
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       MICHAEL P. TURIELLO, ESQUIRE, ATTORNEY FOR THE DEFENDANTS
                                                                              11
                                                                                      don't I look at those and consider them now.
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                                                                                                MR. RUFF: Good morning, Your Honor.
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                                                                                                THE COURT: Welcome to you all.
        ALSO IN ATTENDANCE:
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                                                                                                MR. RUFF: Thank you.
        KERSHAW, CUTTER & RAINOFF, LLP,
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        BY: STUART C. TALLEY, ESQUIRE
                                                                              15
                                                                                                THE COURT: Mr. Paul is here to, from
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        KAPLAN, FOX & KILSHEIMER, LLP,
                                                                              16
                                                                                      across the river.
       BY: CHRISTINE FOX, ESQUIRE
                                                                              17
16
                                                                                                MR. PAUL: Yes.
       W EXLER, TORISEVA, W ALLACE,
BY: MARK J. TAMBLYN, ESQUIRE
17
                                                                              18
                                                                                                THE COURT: You are in good standing and
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                                                                                      admitted in various places. No disciplinary
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                                                                              20
                                                                                      matters, you've associated yourself with a local
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                                                                              21
                                                                                      firm.
           STEPHEN J. DANER,
CERTIFIED COURT REPORTER OF NEW JERSEY
REGISTERED PROFESSIONAL REPORTER
OFFICIAL COURT REPORTER, U.S. DISTRICT COURT
                                                                              22
                                                                                                Do you agree to comply with all the local
                                                                              23
                                                                                      rules including the all Important fee.
22
                                                                              24
                                                                                                MR. PAUL: Yes, Your Honor.
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                                                                              25
                                                                                                THE COURT: And I take it there's no
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                                                                                               U.S. DISTRICT COURT - CAMDEN - NEW JERSEY
                 U.S. DISTRICT COURT - CAMDEN - NEW JERSEY
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which sets out those sentences we feel must be 2 added.

I would also say, Your Honor, that the list of attorneys that they are including with their communication is incomplete, and we would be happy to supply the Court or the defendants with a very complete list of all the lawyers involved.

I would also say, Your Honor, we have attached a red line to our reply brief that attempts to rectify other aspects of the letter that we feel are also misleading. And I would like to just point out a couple of those, Your Honor, if I might.

The letter sets a tone, Your Honor, that we feel casts plaintiff's attorneys and plaintiff's cases in a negative light. And that can have the effect of motivating people to settle directly with defendants. It says things like more than 50 class actions have been filed, a number of attorneys, each seek to represent the interests of pet owners, when in fact consumers are the ones bringing the cases and attorneys are doing so on behalf of the consumers.

It's minor, not the main thrust of the brief, but we wanted to point at out to you.

> We also added language about the case being U.S. DISTRICT COURT - CAMDEN - NEW JERSEY

1 know about 12.1 million people have gone to their

- 2 website, and that website specifically refers them
- to an 800 number to call a hotline. The hotline was
- manned by Crawford and Company, a settlement claims
- 5 company hired by defendants, and Crawford and
- Company then either sent them the claim form which
- 7 they say is, has been to under 50 people, but also
- 8 directs ever other caller to a different website, a
- 9 claim alert website, to download the form. So we

10 don't know how many people downloaded the form and

11 sent it back in. But for every person. A pet owner

12 that defendants can know their address, or calls in 13 the future, we feel they have to resend the

14 appropriate communication.

Your Honor, in the new proposed communication there's a declaration proposed at the bottom for any claimant who signs the claim form to sign. The declaration we feel is highly misleading.

19 I'm just going to turn to the declaration. 20 Which first has them certify under penalty

21 of perjury that the information is correct that 22 they're providing in the claim form. But then says,

23 that, acknowledge receipt and review the letter from

24 Menu Foods which explains the effects of settling.

25 and lists other available avenues to pursue my

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consolidated.

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As a letter currently stands, it appears there's numerous class actions all around the country.

THE COURT: He needs you to slow down. MR. PAUL: Which can be befuddling to pet owners who may not be experienced in these type

It is very informative to know that there will in the end one class action that will be a consolidation of all the current class actions out there.

Those are the main thrusts of our argument with respect to the letter, Your Honor.

We also feel that the revised communication has to be sent, once Your Honor determines what is the appropriate communication to be sent, it has to be sent to everyone who has previously received that communication from the defendants because that communication was in fact in our view misleading, and that would mean sending the letter to everyone who has contacted Menu Foods.

We stated in our brief that about -- we don't know exactly how many people contacted Menu Foods, and not actually sent the claim form. We do

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1 claim, including the pending class actions. Despite 2 these other avenues, I would like to proceed with 3 settling my claim with Menu Foods.

Your Honor, that likely effect of this language is to mislead pet owners into believing once they sign and send back this claim form they have officially opted out, and that they are now stuck with proceeding in the settlement claims process.

And in addition, defendants might argue in the future that these pet owners who signed the declaration have in fact opted out, when it is not been clear all they are doing so.

Lastly, Your Honor, we don't know the extent of information or materials that defendants have received as a result of the prior misleading communication. The prior claim form asks them to send in all their Vet bills, their receipts, their veterinary records, even food that they still have that was manufactured by defendants.

We don't know what they received. But in essence we don't feel that they should have the benefit of, so to speak, the fruit of the poisonous tree. They had a misleading communication in our view and received information back. We believe that

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future communications and the related question of

letter, or some version of it be sent to those where

previously communications have been established

reaching an agreement on this, or will I have to

MR. RUFF: May I respond, Your Honor?

In other words, are we entering near to

your reaction to the notion that this proposed

through the putative class members.

THE COURT: Sure.

start from scratch on the legal issues?

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     at the very least the information must be
     disregarded by defendants and not used for any
    litigation purposes. We also believe it should be
     shared with plaintiffs at this time.
             THE COURT: Can I ask you just one question
 6 about that, because I read that in your initial
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    papers, but I read the Data Collection Form to,
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    direct only to send clean cans and to merely
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    preserve actual food, so I'm curious as to why you
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    take the position that they requested and received
    actual samples.
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12
             Do you believe they actually asked for, and
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    received samples of food?
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             MR. PAUL: It says, please send all relevant
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    documents and material, including the following:
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    cans and/or pouches of the pet food in question --
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             THE COURT: Then read on.
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             MR. PAUL: Please insure that they are fully
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    cleaned prior to sending to avoid delays in the post
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             THE COURT: Doesn't that mean -- you mean
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    -- you're saying complete cans, unopened cans.
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             MR. PAUL: Yes.
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             THE COURT: They could -- okay.
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             MR. PAUL: Yes.
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MR. RUFF: Your Honor, again Ed Ruff, and thank you for admitting me pro hac vice, and a 12 13 pleasure to be before Your Honor and counsel. 14 I have met with Mr. Paul before, and I have 15 met with some of the other counsel. They were 16 actually in my office, and we have been attempting 17 to work out, you know, various things going forward. 18 I should point out that the recent letter 19 and the package that went out was not necessarily 20 prompted -- was not prompted by anything that the 21 plaintiffs had filed. It was actually, if they were 22 going to do this, my client was going to do this, 23 and there's a large pressure that's placed upon him. 24 This is a company that's never been faced 25 with this type of situation before. They aren't a U.S. DISTRICT COURT - CAMDEN - NEW JERSEY 1 big company. Their Board of Directors and their

THE COURT: It goes on to say, doesn't it, keep any of the actual food in your freezer, double bag it and put it in the freezer? MR. PAUL: Right. That's true. It would be

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unopened cans that may have been sent and may have been subject to testing by defendants, and we don't have access to that food or the results of those tests.

9 THE COURT: All right. 10

MR. PAUL: Thank you, Your Honor.

THE COURT: I didn't mean to cut you off.

Are you done?

MR. PAUL: That's our argument, and I would

14 like to reserve some time.

Thank you.

THE COURT: All right.

Well, the, it's interesting to see how the positions change as the briefing occurs and encouraging for someone in my position to see what appears to be some voluntary progress made for narrowing the issues, or working with one another to iresolve some of these difficult issues.

So I'm curious how the defendants reacts to the proposals made by the plaintiffs to modify the letter that you want to send out as a matter of

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Chief Officers, and all that probably could fit at this table (indicating). We're not dealing with a 4 Nestle, Purina or anything like that. So they have never been under a situation like this before, and never had a bad product or anything like that before. So when this happened, they were inundated 7 8 with calls not knowing how to handle this. 9

The first package, just so Your Honor has a clear view in your mind from a date stamp point, they sent this out, the initial claims that the initial Data Collection Forms, I should say, March 22nd. They hadn't been served in the case yet, and I just want to put that in. They were served the next day.

THE COURT: All right. I mean, they got the FDA breathing down their neck and press reports, and they hired Crawford. They have to know the suits are coming.

MR. RUFF: Absolutely. Absolutely.

I just wanted to address your question there is then no settlement until we hear what Your Honor has to say. There's no settlements, and I represented that to counsel when we met with them on April 11th, and we did discuss some of the issues U.S. DISTRICT COURT - CAMDEN - NEW JERSEY

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detail was known.

What I understand is that there's a voicecom message that will accompany this that they're going to receive so they have a number from that, I have told you from Menu. What I understand, Crawford will do is send a computerized statement.

THE COURT: By phone?

MR. RUFF: By phone. That will go to --

THE COURT: Some of the people.

Some of these people have lost their pets.

You wouldn't terrorize them with telemarketing
calls -- it's a joke. You will follow up with a
call.

MR. RUFF: They will send a voice message that says, if you are -- we are calling on behalf of Menu Foods. Thank you for your continued patience. A claim package is being printed and will be mailed to you in the near future. This package will include a help desk phone number and forms for you to complete and submit, if you chose to do so, and instructions will be included in the package. These refer to the web, to the Menu Foods website, and that gives the website. For further information, including a copy of the claim package.

THE COURT: Okay.

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MR. RUFF: That will be -- I understand has started on Tuesday.

THE COURT: The phone calls?

MR. RUFF: The phone calls. When the malling went out this call was computerized and sent out.

THE COURT: Have you hired the Goodyear blimp yet? All right.

What else do you intend to do for the future?

MR. RUFF: That's what I understand is the procedure.

THE COURT: Okay.

MR. RUFF: I'm not aware of any potential claims of abuse or someone has been contacted that was a named class individual. I don't think that was anybody's intent. There are a number of things the plaintiffs must show that are real or obstructed abuse. This could have been done on day one. There's no showing at all by the plaintiffs that this letter affects the rights of the putative class members, and I don't think they're claiming that, now. They just want to change the language.

If the pet owners wish to settle and received money, we have the right to seek and claim

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and get information. I think to make it clear, in
 order to identify who you are going to settle with,
 these are pretty basic information to in order to
 make that decision.

I don't think we can take their word for it that in fact this was our product. In fact, there was a consumption of the product or there wasn't, and one of the key questions I think is different from the first claim form to this one is that the, we don't know, and Menu didn't know at the time the wheat glutin potentially affected other manufacturers. So I think one of the questions here from a causation standpoint, was there consumption of another product that was affecting, because there are now a number of manufacturers who have the same problem.

THE COURT: Right. Well, don't misunderstand my attempt at levity that I understand and read the cases, and of course will follow those that make clear you have a right to communicate with those who desire to settle. And I think, I think plaintiffs were right in commending your client for doing a better job of communicating with the full scope and breath of this particular recall and the legal ramifications that flow and communicated to

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them what their rights and/or might be. Up to
including exercising their right to, fully informed
to settle independently.

But the posture here is different than what I believe it was when I first read the papers. Now that there has been more communication, as helpful as that is, it raises a, continues to raise some of the issues whether or not there is a complete picture and whether an attempt to say one thing intentionally or otherwise created an additional or a new misapprehension.

Would your client object to supplying plaintiffs with the list of people who received the letter?

MR. RUFF: Yes. Just like I'm sure they would object -- what we're doing, and I would think in that regard would be conducting discovery in this particular case in advance of all the others. Just like, you know, what, who comprises the class. If we look at 26 New Jersey cases, 23 of them, the named plaintiff is not from New Jersey.

THE COURT: Right.

Let me ask you this, would you object to the plaintiffs preparing a supplemental communication to be delivered blindly to Crawford,

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13 of 35 sheets